

# Health Equity for Adults & Children with Disabilities

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## *2021 GHF Annual Grant Program*

### ***ROCK, Ride On Center for Kids***

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# Application Form

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## *General Instructions*

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**If approved, should they receive the short or long application?**

Short

**Congratulations on your advancement to the full application stage!**

Please complete the remaining sections of the application. The first four sections labelled "LOI" are included for your reference and are "read only."

## *Program Name & Amount Requested*

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**Program Name\***

Health Equity for Adults & Children with Disabilities

**Amount requested**

\$50,000.00

## *LOI - About Your Organization*

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**Organization Mission**

ROCK's mission is to improve independence and life skills in partnership with the horse.

**Organization Vision**

Our vision is to be the trusted leader in equine-assisted activities and therapies through service, research, and education.

**Date of Incorporation**

1998

## Describe your organization's scope of work

ROCK, Ride On Center for Kids, provides Equine-Assisted Activities and Therapies (EAAT) to adults and children with special needs. The human-horse connection employing movement through space creates physical changes leading to improved life skills and independence. For each client, ROCK provides careful assessment and targeted therapy in partnership with the horse leading to increased self-sufficiency and improved quality of life. Participants have been diagnosed with physical, cognitive, or mental health disabilities, disorders and delays including autism, cerebral palsy, Down syndrome, PTSD, developmental delays, seizure disorders, traumatic brain injury, ADHD and others. Some of our most significant impacts are experienced by military veterans who suffered injury in service. Numerous veterans find new purpose and lessen depression and anxiety through bonding with the horse. Past ROCK On Veteran clients become some of our most engaged and passionate ROCKateers, reaching back to assist their fellow vets as well as the children in our daily sessions. A licensed mental health professional is onsite during all veterans' therapy programming, and often spends one-on-one time with veterans at their request when they are experiencing extra anxiety or stress. ROCK is a premier accredited therapeutic center by the Professional Association of Therapeutic Horsemanship International (PATH Intl.). PATH Intl. is the leading EAAT certifying organization in the world. ROCK is also a licensed physical therapy clinic. ROCK's team of 27 part- and full-time employees is supported by 300 trained ROCKateers (volunteers). Our 60-acre property permits space for 28 therapy horses, and a covered arena provides for all-weather programming.

## How many unique individuals did your organization serve during the prior fiscal year?

265

## What geographic area does your organization serve?

ROCK does not limit client participation due to geographical boundaries. We have clients who travel specifically to ROCK from nine surrounding counties in Central Texas. Approximately 50% of our clients reside in Williamson County and one-half of those are residents of Georgetown.

## Please select the Georgetown zip codes your organization currently serves:

78626 78628 78633 78634 78673 78674

## *LOI - Financial Overview*

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### UPLOAD: Most Recent Audit.

Please upload your organization's most recent audit and include all formal communication received from the audit firm in relation to the financial statement audit.

NOTE: If your organization has not commissioned an audit AND if you are applying for less than \$25,000, GHF will accept a CPA-prepared financial statement review. As with the audit, upload all formal communication received from the firm in relation to the review.

**\*\*GHF will not accept Forms 990, 990-EZ, or 990-PF in place of an audit or CPA-prepared financial statement review.\*\***

All documents must be uploaded as one PDF.

## ***LOI - Funding Request***

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### **PRIORITY 1: Basic Needs (Physiological)**

Please identify the focus area(s) your proposal seeks to address (select all that apply):

### **PRIORITY 2: Basic Needs (Safety) & Social Determinants of Health**

Please identify the focus area(s) your proposal seeks to address (select all that apply):

Mental Healthcare Healthcare

### **Priority 3: Supporting Social Determinants of Health for Priorities 1 & 2**

Please identify the focus area(s) your proposal seeks to address. Select all that apply:

Health Equity

## **Proposal Narrative**

Describe how GHF grant funds will be used, if awarded. Please be sure to explain how your organization and this funding request aligns with GHF's Mission, Vision/Vision Philosophy, and Target Population. Specifically identify the target population with which you will be working.

Introduction ROCK requests that the Georgetown Health Foundation consider granting \$50,000 to be used to help underwrite its general operations which makes it possible to deliver all programs. During this fiscal year, ROCK has not raised the amount of unrestricted funds it has in past years, due to not being able to host its usual special events in person, and we anticipate a shortfall in our budget this year. While ROCK does have program funding, this tends to be restricted, so having flexible dollars to underwrite the organization's operational expenses would be extremely helpful. ROCK shares the Georgetown Health Foundation's goal of assisting individuals to achieve health equity and their highest possible functioning and independence. The determination and commitment to achieving therapeutic goals by our clients inspires us on a daily basis. Our staff members are all highly skilled and trained in meeting our clients where they are physically, cognitively and mentally, and draw on their vast experience and training to help move each client toward their optimum health status possible while under our care. Clients are all ages and genders, and are representative of White, African-American and Hispanic racial/ethnic groups. We project serving 62 Georgetown residents in the coming fiscal year. ROCK provides therapeutic programming for children/youth and adults following PATH Intl. EAAT standards. Many of our staff members have earned PATH Intl. certification and several teach EAAT standards to other therapists. Our goals for the coming year include delivering:

- Equine-Assisted Activities (EAA): Therapeutic riding horsemanship classes that improve functional skills for adults and children with special needs.
- Equine-Assisted Therapy (EAT): Physical and speech therapy using equine movement as a portion of treatment intervention.
- Equine-Assisted Learning (EAL): Programs with local school districts throughout the year as COVID-19 restrictions are lifted.
- ROCK On Veterans (ROV): offering coed and women-only programs for veterans and their dependents designed to help overcome anxiety, post-traumatic stress and re-engage with their families. Due to the high anxiety and challenges with assimilation back into the community after service, a licensed mental health professional is onsite during ROCK On Veterans

programs to help with group and individual challenges. • Summer camps including camps for clients with special needs, children of veterans, and at-risk youth. • Texas A&M University Courtney Care Equine Therapeutic program is led and managed by ROCK in College Station. • Texas A&M University “Introduction to Equine-Assisted Activities & Therapies”: a for-credit academic course taught by ROCK leadership to help train the next generation of equine leaders. • ROCKateers: multiple opportunities for community volunteers to support ROCK’s programs, operations and activities. Clients must be referred by a medical practitioner, and a trained and certified team provides assessment and helps construct an individual treatment plan for each client leading to increased independence and self-sufficiency. Incoming clients are assigned to the program that our assessment determines is the most appropriate for helping improvement. Female veterans may self-select whether to participate in the coed or women-only program. Our short- and long-term goals focus on assisting children and adults with disabilities achieve their full potential. Specific goals for each client are individualized, depending on disorder or challenge. For instance, one child may be given the goal of strengthening his core, while another child may concentrate on improved speech. We honor each child (and family) where they are and provide a broad array of therapies provided by our trained and credentialed staff to progress toward functional improvement. Approximately 25% of our clients live in low-income families (under 200% of FPL) and the costs of participation in equine therapy is beyond their budget, so we cultivate and reach out to our community partners and foundations to help underwrite expenses. We also provide below-market rates for all families, relying on our community to help underwrite the funding gap. We project serving approximately 250 children, adults and military veterans with therapeutic programming during our 2020-21 fiscal year, with approximately one-fourth residing in Georgetown. This reduction in clients is due primarily to the COVID-19 pandemic; however, we are pleased to advise that as of September 2020 we are back to 84% client capacity, carefully following all CDC and county health department guidelines. We do hope to exceed these projections by the end of FY 2021-22.

## UPLOAD: Proposal Budget & Expense Narrative

Please upload your proposed budget and include the following details:

**Staff.** Position title(s), salary(ies), and fringe working directly with this program. Include rationale for each position and percentage of time these positions will spend on the program.

**Supplies.** List descriptions and costs for each supply, including rationale as to why these supplies are essential to the success of the program.

**Overhead.** Provide your organization's overhead rate and the rationale for that rate. If you include a line item for an administrative position(s), please provide salary percentage and rationale.

## *LOI - Relationship with Georgetown and GHF*

### Collaboration

In what ways do you collaborate or coordinate your services with other local organizations to serve Georgetown-area residents?

ROCK has had a longstanding collaboration with the Health Sciences Department of Georgetown High School. Juniors and seniors can choose to participate in experiential and exploratory effort, working with ROCK clients, to ascertain if further education in the health sciences is something they want to pursue. Students are paired with young GISD students from the Special Education department to serve as mentors and role models leading to more understanding of children, youth and adults who have different abilities. The GISD bus pulls up to our barn each Friday for a morning of working together in teams to support and encourage each other. (This effort has been modified due to COVID-19 for the time being.) Youth who embody risk factors come to ROCK for leadership training and basic horsemanship. An ongoing relationship with

Williamson County Juvenile Justice has provided summer leadership camps over the last three years for these youth. ROCK has numerous other partnerships with community-based groups and especially veteran services organizations too numerous to highlight here. Many of our veterans come to us by way of referral from numerous veterans serving organizations. ROCK leadership is very active in the community, attending and participating in numerous organizations. ROCK's collaboration with GHF over the past 10 years has allowed ROCK to be able to continue despite the pandemic. GHF's investment in improvements, and stability of skills and staff, have led to ROCK being able to withstand this challenging year. ROCK looks forward to moving past this challenge and continuing strategic planning to meet the needs of the community. ROCK has a vision to explore further opportunities in mental health for the community as we put the pandemic behind us.

## Describe your organization's work in Georgetown

To date ROCK has provided physical, cognitive and emotional therapy for nearly 2,800 individuals. Most clients leave us having acquired higher functional skills, better family relationships and community participation, and improved self-sufficiency. The metrics and stories alternately break our hearts and renew our faith in the strength of the individual. ROCK has a deep history of carefully and deliberately building an organization based on sound principles and practices, for over 20 years. Our recent recognitions include: 2019 Adult Equestrian of the Year (Path Intl.), 2019 Veterinarian of the Year (Path Intl.), 13th Annual Ethics in Business & Community Award, Nonprofits; Pioneer Award from the Quality Texas Foundation Quest for Excellence in 2016, the Commitment Award from the Quality Texas Foundation, the 2017 Cornerstone Award in Healthcare from the Georgetown Chamber of Commerce, and Dr. Nancy Krenek received the 2020 W.D. Kelley Leadership Award. ROCK leadership has participated in 23 research studies since 2007, with three published to date in the Journal of Rehabilitation Research and Development, the Journal of Autism and Developmental Disorders, and the Occupational Therapy in Mental Health Journal. Our staff present research outcomes regularly at national and regional professional conferences. Our ongoing work with the Baldrige Assessment and the Williamson County Institute for Excellence in Nonprofits is helping to take ROCK to the next level of organizational excellence. Leadership and staff join for monthly operational self-assessment, restructuring to improve employee input and build leadership capabilities. These efforts all direct ROCK's growth into a more proactive organization, one that employs resources at an optimal level, with a solid financial basis that will sustain ROCK's continued success for years to come. ROCK was recognized in 2017 with the Commitment Award for achievement in pursuit of the Quality Texas Baldrige Assessment.

## How many unique Georgetown residents did your organization serve during the prior fiscal year?

Out of the total number of unique individuals your organization served during the prior fiscal year, how many were Georgetown residents?

62

## Is your organization's main office located in Georgetown?

Yes

## If no,

where is your organization's main office located? Do you maintain a satellite space in Georgetown? If so, what is the address of the Georgetown-based satellite space?

## Has your organization ever received a GHF grant?

Yes

## Do you currently receive any form of rent assistance from GHF?

No

### If yes, please provide:

- Property address;
- Annual rent payments to GHF;
- Annual grant dollars committed by GHF to your organization specifically associated with your lease agreement.

n/a

## *Instructions for Shorter Applications*

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Congratulations! You have been approved by the GHF Grants Committee to complete an abridged version of our application in 2021. To finalize your application this year, you will only need to complete the following sections:

- Goals
- Organizational Financials
- Citations, Acknowledgement & Assurance

## *Goals*

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**Grant Period:** The grant period for all GHF Annual Grants is **July 1 - June 30**.

## Number of Georgetown residents to be served by this grant\*

50

**INSTRUCTIONS:** Input at least 1 and up to 3 goals that will be achieved through the funding of this proposal. The goal(s) should be attainable within the 12-month grant period.

### GOAL 1\*

What end result would this grant support?

ROCK will provide therapeutic programming for adults and children with disabilities and disorders to improve independence and life skills in partnership with the horse.

## Support for the Goal 1: Outcomes, Outputs, Tracking, Activities, Inputs\*

Provide a logic model(s) through which you will achieve your goal(s). Organize the logic model for each goal as outlined below. Additional prompts are provided to guide your responses within each category.

**Outcomes:** *What result will show the accomplishment of the strategy? What impact do you anticipate will result from completion of the activities?*

**Outputs:** *What are the quantitative measures (# of participants, # of sessions held, # of encounters, etc.) that demonstrate progress?*

**Tracking:** *How will you measure your progress? What systems will you employ to assess the activities?*

**Activities:** *What activities will support the goal?*

**Inputs:** *What resources (human, financial, organization, etc.) will be committed to this goal?*

**Introduction** Outcomes ROCK continuously measures and records improvement in motion, abilities, anxiety, social functioning, and many other measures; these are aggregated into the following two performance measures with actual results: • 94.6% of participants will achieve improvement in their independence. • 88.5% of clients will achieve an increase in personal life skills. ROCK measures results in each of its programmatic areas. Recent data from a self-reported survey among clients who participated in an 8-week training session and who are veterans of military service indicated: • 71% reported improved reactions to physical/emotional triggers • 65% reported improved family relationships • 77% reported improvement in stress management • 94% reported a decrease in anxiety • 59% reported increase in community engagement. Therapists/instructors record notes after each session which include quantitative and qualitative data. Semi-annual surveys are provided to clients/parents to provide written feedback. Data is aggregated in an informational database and shared with Board, executive staff and funders as appropriate.

**Outputs** For the coming fiscal year, ROCK projects achieving the following: • Delivering 4,500 hours of equine-assisted activities and therapy including therapeutic riding, speech therapy, physical therapy, and equine-assisted learning to approximately 300 clients with disabilities in a safe and therapeutic environment to adults and children; • Assisting 20 children to participate in Special Olympics and Austin Rodeo Golden Stirrup Horseshow and work on life skills learned through team building and competition (if allowed by COVID-19 protocols); • Delivering summer camps to 36 children (inclusion for children with different abilities and a camp for children of military veterans); • Providing leadership and mentoring opportunities to Georgetown ISD Bridges Program; students ages 18-22 participate in experiential learning and insight into future careers (if allowed by COVID-19 protocols); • Provide 300 volunteers with opportunities to engage, learn and build community using ROCK as a backdrop. Ages range from 14-90; • Engage with universities in research and investigation to document effectiveness of Equine-Assisted Services; and • Academic teaching and replication of ROCK Equine-Assisted Services programming at Texas A&M University

**Tracking** (measurement) ROCK assesses each client's baseline needs at the beginning of the program year, establishes short- and long-term goals, and tracks each goal weekly, monthly, and annually. Each therapist and instructor enters class/therapy session notes on each client into our IT database that aggregates metrics for reporting purposes. Progress for each client is very individualized and is based on numerous factors (degree of disability, type of challenge, age, goals, therapy options and more). Other data tracked includes improvements in memory skills, following directions, sequencing, improvement in communication, trunk control, gait, balance, head control, posture, hand use, sitting balance, flexibility, tolerating transition, self-regulated activities, awareness of procedures, focus and attention. Goals are documented in a dashboard that is reviewed to see how clients are improving in goals and is aggregated for reports. Surveys are completed by families and participants to track improvement. Activities ROCK Equine-Assisted Services include: • Equine-Assisted Activities (EAA): Therapeutic riding horsemanship classes that improve functional skills for adults and children with special needs. • Equine-Assisted Therapy (EAT): Physical and speech therapy using equine movement as a portion of treatment intervention. • Equine-Assisted Learning (EAL): Programs with local school districts. • ROCK On Veterans (ROV): Offering coed and women-only programs for veterans and their



dependents designed to help overcome anxiety, post-traumatic stress and re-engage with their families. • Summer camps: For clients with special needs, children of veterans, and at-risk youth, and participation in horse shows to teach leadership and confidence. • Texas A&M University Courtney Cares Equine Therapeutic program: Led and managed by ROCK in College Station. • Texas A&M University “Introduction to Equine-Assisted Activities & Therapies”: A for-credit academic course taught by ROCK leadership to train the next generation of equine leaders. • ROCKateers: Opportunities for community volunteers to support ROCK’s programs, operations and activities. Inputs ROCK assets for its organization and programming include: engaged Board; competent, credentialed staff; diversified funding streams; selected, trained horse herd; state-of-the-art facility; critical assessment and intake policies; physician referral; certified PATH Intl. equine therapy center; licensed physical therapy clinic; and meaningful track record in obtaining positive outcomes and results.

## GOAL 2 (if applicable)

n/a

### Support for the Goal 2: Outcomes, Outputs, Tracking, Activities, Inputs

Provide a logic model(s) through which you will achieve your goal(s). Organize the logic model for each goal as outlined below.

**Outcomes:**

**Outputs:**

**Tracking:**

**Activities:**

**Inputs:**

## GOAL 3 (if applicable)

n/a

### Support for the Goal 3: Outcomes, Outputs, Tracking, Activities, Inputs

Provide a logic model(s) through which you will achieve your goal(s). Organize the logic model for each goal as outlined below.

**Outcomes:**

**Outputs:**

**Tracking:**

**Activities:**

**Inputs:**

## Your Goals and Organization's Strategic Plan\*

Does your organization adhere to a strategic plan? If so, how do specific components of your strategic plan tie to the goals outlined in this section?

ROCK’s Board of Directors, staff and selected volunteers helped craft ROCK’s 5-year strategic plan in 2017. Most of the strategies, projects and growth projected, and planned for have occurred, with some unexpected distractions. ROCK measures its progress on an annual basis against this plan, with more frequent

updates to the Board. The strategic plan called for methodical, thoughtful growth in programs, and outlined several community populations that ROCK wanted to begin or continue to affect: collaboration with the Georgetown ISD for health science student mentorships and career exploration; increased participation in Special Olympic and horse shows by adults and children, expanded veterans program that offered separate training for women survivors of military sexual trauma, and growth in all programs. All of these have come to fruition, with minor adjustments in 2020-early 2021 to allow for programs to continue during the COVID-19 pandemic. ROCK's plan also called for more leadership in cooperation with Texas A&M University's Equine Therapy program, which resulted in increased participation in therapeutic riding in College Station and included an academic forum for our leadership to help prepare the next generation of equine therapists. A recent report of 10 years of programming and academic teaching was presented to the Deans of A&M's College of Veterinary Medicine & Biomedical Sciences and College of Medicine for future planning regarding programming, education and research. ROCK will begin work on its 2022-27 Strategic Plan in the coming year. New information to be considered will include: successful conclusion of a capital campaign to expand facilities/participation, next steps in expanding programs and access, consideration of adding programs for other special populations, including mental health, as well as further/future research.

## *Organizational Financials*

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### **Fiscal Year Start Date\***

Please enter the start date of your current fiscal year

07/01/2021

### **Fiscal Year End Date\***

Please enter the end date of your current fiscal year.

06/30/2022

### **What are your organization's cash reserves, i.e., days cash on hand?\***

\$850,000.00

### **How many months could the organization operate at your continued budget level?\***

7

### **UPLOAD: Balance Sheet for Prior Fiscal Year\***

(PDF format)

2019-20 YE Financial Position-Balance Sheet ROCK.pdf

**UPLOAD: Income Statement for Prior Fiscal Year\***

(PDF format)

2019-20 YE Statement of Activities Income Statement ROCK.pdf

**UPLOAD: Actual vs. Budget Income Statement for the Prior Fiscal Year\***

(PDF format)

2019-20 Budget to Actual YE ROCK.pdf

**UPLOAD: Current Year-to-Date Financials to include Balance Sheet and Income Statement.\***

(PDF format)

2021 March Financial Statements ROCK.pdf

**UPLOAD: Year-to-Date Cash Flow Statement**

If your organization generates a Cash Flow statement, upload it here in PDF format. If not, leave blank.

2020-March 2021 Statement of Cash Flows, ROCK.pdf

**UPLOAD: Organization Budget for Proposed Fiscal Year, Related to the Grant Period\***

(PDF format)

2020-2021 Organization Budget ROCK.pdf

**Most Recent Organization Audit**

If your organization completed an audit since your LOI submission, please upload the most recent audit here.

2019-20 Audit of Financial Statements ROCK.pdf

**Sources of Organizational Support: Individual Donor Contributions\***

Provide the total revenue from individual contributions and the total number of individual donors from the prior fiscal year (please do not disclose donor names).

ROCK received \$329,952 from 557 individual donors during FY 2019-20.

### Sources of Organizational Support: Top 5 Sources\*

Provide your organization's top 5 sources of revenue from the prior fiscal year (PFY) and the amount (e.g., Texas Health & Human Services contract, \$250,000).

FY2019-20: Georgetown Health Foundation - \$50,000 Texas Quarter Horse Association - \$50,000 Greater Round Rock Community Foundation - \$40,000 Williamson County - \$30,000 City of Georgetown - \$26,000

## *Citations, Acknowledgement & Assurance*

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### Additional Information and Research Citations (optional)

Upload any critical details about your organization or program(s) not already included within this application that will strengthen your case for funding (no marketing material, please). This attachment may also be used to cite any statistics/research, and to define key terms and/or acronyms.

### Acknowledging GHF\*

Type your name and date in the space below to assure that if funded, the organization will acknowledge GHF on all related marketing materials, your website, social media, and in any other communications in which this program is promoted.

Nancy Krenek, PT, DPT, HPCS, Founder/CEO 4/8/2021

### Assurance\*

Type your name and date in the space provided to assure that by submitting this application, you 1) confirm that the information herein is true and correct, 2) confirm that if funded, funds will be spent according to the budget listed in this application, and 3) confirm that the organization will submit interim and final reports as required.

Nancy Krenek, PT, DPT, HPCS, Founder/CEO 4/8/2021

## File Attachment Summary

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### *Applicant File Uploads*

- 2019-20 YE Financial Position-Balance Sheet ROCK.pdf
- 2019-20 YE Statement of Activities Income Statement ROCK.pdf
- 2019-20 Budget to Actual YE ROCK.pdf
- 2021 March Financial Statements ROCK.pdf
- 2020-March 2021 Statement of Cash Flows, ROCK.pdf
- 2020-2021 Organization Budget ROCK.pdf
- 2019-20 Audit of Financial Statements ROCK.pdf

**R.O.C.K., Ride On Center for Kids**  
**Statement of Financial Position**  
 Unaudited Financial Statement - As of June 30, 2020

	Jun 30, 20
<b>ASSETS</b>	
Current Assets	
Checking/Savings	986,183
Accounts Receivable	
1200 · Accounts Receivable	6,606
1280 · Pledge Receivable-Capital Camp.	177,396
Total Accounts Receivable	184,002
Other Current Assets	-1,060
Total Current Assets	1,169,125
Fixed Assets	
1400 · Land	1,606,733
1410 · Land Improvements	96,751
1420 · Equipment	202,166
1425 · New Truck	51,267
1426 · New Horse Trailer	20,824
1430 · Office Equipment	47,040
1440 · Ride Inside Building	1,041,173
1455 · 2013 Building Addition	407,124
1460 · Horse(s)	71,550
1475 · Arena Improvements	11,226
1600 · Other Buildings	367,782
1800 · Accumulated depreciation	-937,342
Total Fixed Assets	2,986,294
<b>TOTAL ASSETS</b>	<b>4,155,419</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	4,701
Total Accounts Payable	4,701
Credit Cards	
2210 · BBVA Compass Bank	3,457
Total Credit Cards	3,457
Other Current Liabilities	
2350 · Accrued Payroll Wages	38,978
2375 · Accrued Payroll Taxes	3,063
2380 · Accrued Payroll Benefits	3,576
2450 · Prepaid Tuition	10,826
2700 · First Texas Bank - PPP Loan	192,900
Total Other Current Liabilities	249,343
Total Current Liabilities	257,501
Long Term Liabilities	
2650 · First Texas Bank - Molnar Note	898,871
Total Long Term Liabilities	898,871
Total Liabilities	1,156,372
Equity	
3000 · Retained Earnings	2,949,823
Net Income	49,224
Total Equity	2,999,047
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>4,155,419</b>

## R.O.C.K., Ride On Center for Kids

## Statement of Activities

Unaudited Financial Statement - July 2019 through June 2020

	Jul '19 - Jun 20
Ordinary Income/Expense	
Income	
4000 · Contributions	237,320
4100 · Special Events	428,899
4300 · TX A&M Contract	102,566
4400 · Grants	406,950
4700 · Tuition	183,654
4900 · Interest Income	3,204
7030 · Other Income	1,078
Total Income	1,363,671
Gross Profit	1,363,671
Expense	
50000 · Programs	1,116,362
70000 · Fundraising	187,352
80000 · General & Administrative	139,342
Total Expense	1,443,056
Net Ordinary Income	-79,385
Other Income/Expense	
Other Income	
9200 · In Kind Donations Received	8,000
9400 · Capital Campaign Contributions	335,508
Total Other Income	343,508
Other Expense	
7009 · Depreciation Expense	90,403
9500 · Capital Campaign Expenses	124,496
Total Other Expense	214,899
Net Other Income	128,609
Net Income	49,224

**R.O.C.K., Ride On Center for Kids**  
**Statement of Activities Budget vs. Actual**  
**Unaudited Financial Statement - July 2019 through June 2020**

	Jul '19 - Jun 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>				
Income				
4000 · Contributions	237,320	215,000	22,320	110%
4100 · Special Events	428,899	651,400	-222,501	66%
4300 · TX A&M Contract	102,566	100,000	2,566	103%
4400 · Grants	406,950	310,000	96,950	131%
4700 · Tuition	183,654	300,000	-116,346	61%
4900 · Interest Income	3,204	3,600	-396	89%
7030 · Other Income	1,078	0	1,078	100%
<b>Total Income</b>	<b>1,363,671</b>	<b>1,580,000</b>	<b>-216,329</b>	<b>86%</b>
<b>Gross Profit</b>	<b>1,363,671</b>	<b>1,580,000</b>	<b>-216,329</b>	<b>86%</b>
Expense				
50000 · Programs	1,116,362	1,190,473	-74,111	94%
70000 · Fundraising	187,352	258,809	-71,457	72%
80000 · General & Administrative	139,342	130,718	8,624	107%
<b>Total Expense</b>	<b>1,443,056</b>	<b>1,580,000</b>	<b>-136,944</b>	<b>91%</b>
<b>Net Ordinary Income</b>	<b>-79,385</b>	<b>0</b>	<b>-79,385</b>	<b>100%</b>
<b>Other Income/Expense</b>				
Other Income				
9200 · In Kind Donations Received	8,000	0	8,000	100%
9400 · Capital Campaign Contributions	335,508	0	335,508	100%
<b>Total Other Income</b>	<b>343,508</b>	<b>0</b>	<b>343,508</b>	<b>100%</b>
Other Expense				
7009 · Depreciation Expense	90,403	0	90,403	100%
9500 · Capital Campaign Expenses	124,496	0	124,496	100%
<b>Total Other Expense</b>	<b>214,899</b>	<b>0</b>	<b>214,899</b>	<b>100%</b>
<b>Net Other Income</b>	<b>128,609</b>	<b>0</b>	<b>128,609</b>	<b>100%</b>
<b>Net Income</b>	<b>49,224</b>	<b>0</b>	<b>49,224</b>	<b>100%</b>



**R.O.C.K., Ride On Center for Kids**  
**Statement of Financial Position**  
**Unaudited Financial Statement - As of March 31, 2021**

	<u>Mar 31, 21</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	1,158,655
Accounts Receivable	
1200 · Accounts Receivable	17,452
1280 · Pledge Receivable-Capital Camp.	560,496
Total Accounts Receivable	577,948
Other Current Assets	
1170 · Prepaid Expense	11,990
1190 · Allowance for Bad Debt-Cap Camp	-15,000
Total Other Current Assets	-3,010
<b>Total Current Assets</b>	1,733,593
<b>Fixed Assets</b>	
1400 · Land	1,606,733
1410 · Land Improvements	96,751
1420 · Equipment	202,166
1425 · New Truck	51,267
1426 · New Horse Trailer	20,824
1430 · Office Equipment	49,648
1440 · Ride Inside Building	1,041,173
1455 · 2013 Building Addition	407,124
1460 · Horse(s)	69,050
1475 · Arena Improvements	11,226
1600 · Other Buildings	367,782
1800 · Accumulated depreciation	-937,342
<b>Total Fixed Assets</b>	2,986,403
<b>TOTAL ASSETS</b>	<b><u>4,719,996</u></b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Credit Cards	
2210 · BBVA Compass Bank	3,073
Total Credit Cards	3,073
Other Current Liabilities	
2450 · Prepaid Tuition	10,350
2710 · First Texas Bank - PPP Loan 2	211,000
Total Other Current Liabilities	221,350
Total Current Liabilities	224,423
Long Term Liabilities	
2650 · First Texas Bank - Molnar Note	748,555
Total Long Term Liabilities	748,555
<b>Total Liabilities</b>	972,978
<b>Equity</b>	
3000 · Retained Earnings	2,999,047
Net Income	747,971
<b>Total Equity</b>	3,747,018
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b><u>4,719,996</u></b>

## R.O.C.K., Ride On Center for Kids

## Statement of Activities

Unaudited Financial Statement - July 2020 through March 2021

	Jul '20 - Mar 21
Ordinary Income/Expense	
Income	
4000 · Contributions	270,940
4100 · Special Events	303,212
4300 · TX A&M Contract	102,566
4400 · Grants	15,980
4700 · Tuition	157,269
4900 · Interest Income	1,064
7030 · Other Income	193,857
Total Income	1,044,887
Gross Profit	1,044,887
Expense	
50000 · Programs	800,840
70000 · Fundraising	130,970
80000 · General & Administrative	128,379
Total Expense	1,060,189
Net Ordinary Income	-15,302
Other Income/Expense	
Other Income	
9200 · In Kind Donations Received	168
9400 · Capital Campaign Contributions	884,750
Total Other Income	884,918
Other Expense	
9300 · In-Kind Expense	168
9500 · Capital Campaign Expenses	121,477
Total Other Expense	121,645
Net Other Income	763,273
Net Income	747,971

**R.O.C.K., Ride On Center for Kids**  
**Statement of Cash Flows**  
Unaudited Financial Statement - July 2020 through March 2021

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	<u>Jul '20 - Mar 21</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	747,971
Adjustments to reconcile Net Income	
Net cash provided by Operating Activities	322,696
<b>INVESTING ACTIVITIES</b>	-109
<b>FINANCING ACTIVITIES</b>	<u>-150,316</u>
Net cash increase for period	172,272
Cash at beginning of period	<u>986,383</u>
Cash at end of period	<u><u>1,158,655</u></u>

**ROCK, Ride On Center for Kids**  
**Fiscal Year Budget**  
**July 1, 2020 - June 30, 2021**

**Income**

General Donations	\$230,000
Special Events	\$400,000
TX A&M Contract	\$102,000
Grants	\$340,000
Tuition	\$225,000
Other Income	\$192,900
Interest Income	\$2,000

<b>Total Income</b>	<b><u>\$1,491,900</u></b>
---------------------	---------------------------

**Expense**

Programs by area:

Equine-Assisted Therapy	\$92,757
Equine-Assisted Activities	\$217,430
Equine-Facilitated Learning	\$60,734
ROCK On Veterans	\$96,218
Equine Care	\$206,289
Volunteers	\$74,381
Texas A&M	\$69,226
Facilities	\$273,088
ROCK University	\$14,394

Total Program Expense	<u>\$1,104,517</u>
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Fundraising Expense	\$212,426
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General & Administrative Expense	<u>\$174,957</u>
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<b>Total Expense</b>	<b><u>\$1,491,900</u></b>
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<b>Net Income after expense</b>	<b>\$0</b>
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**R.O.C.K.,  
RIDE ON CENTER FOR KIDS, INC.**

**FINANCIAL STATEMENTS**

*As of and for the Years Ended June 30, 2020 and 2019*

*And Report of Independent Auditor*

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
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## **Report of Independent Auditor**

To Management  
R.O.C.K., Ride On Center for Kids, Inc.  
Georgetown, Texas

We have audited the accompanying financial statements of R.O.C.K., Ride On Center for Kids, Inc., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of R.O.C.K., Ride On Center for Kids, Inc. as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 3, toward the end of December 2019, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. During 2020, there have been various mandates and/or requests from federal, state, and local authorities resulting in closures of non-essential businesses. Although it is not possible to reliably estimate the length or severity of this outbreak and, hence, its financial impact, any significant reduction in public support and resources caused by COVID-19 could negatively affect revenue and have other material adverse effects on R.O.C.K., Ride On Center for Kids, Inc. Our opinion is not modified with respect to this matter.

**OTHER MATTERS****Prior Period Financial Statements**

The financial statements of R.O.C.K., Ride On Center for Kids, Inc. as of, and for the year ended June 30, 2019, were audited by other auditors whose report dated October 21, 2019, expressed an unmodified opinion.

A handwritten signature in blue ink, appearing to read "Cheryl Zerkant" followed by a stylized flourish.

Austin, Texas  
October 16, 2020



**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

*JUNE 30, 2020 AND 2019*

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 935,271	\$ 731,994
Investments	51,112	150,000
Accounts receivable	6,606	39,560
Pledges receivable, net	162,396	133,000
Prepaid expenses and other	13,740	-
Total Current Assets	1,169,125	1,054,554
Property and equipment, net	2,986,294	2,995,350
<b>Total Assets</b>	<b>\$ 4,155,419</b>	<b>\$ 4,049,904</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 53,775	\$ 42,812
Deferred revenue	10,826	11,095
Notes payable - current portion	125,326	25,060
Total Current Liabilities	189,927	78,967
Notes payable, less current portion	966,445	1,021,117
Total Liabilities	1,156,372	1,100,084
Net Assets:		
Without donor restrictions	2,664,464	2,774,266
With donor restrictions	334,583	175,554
Total Net Assets	2,999,047	2,949,820
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,155,419</b>	<b>\$ 4,049,904</b>

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**STATEMENTS OF ACTIVITIES**

*YEAR ENDING JUNE 30, 2020*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenue:			
Tuition and program fees	\$ 183,654	\$ -	\$ 183,654
Contracts, grants, and contributions	643,209	447,135	1,090,344
Special Events:			
Barn Dance	230,127	-	230,127
Golf tournament	50,087	-	50,087
Other	148,685	-	148,685
Other	4,282	-	4,282
Net assests released from restrictions	288,106	(288,106)	-
Total Support and Revenue	<u>1,548,150</u>	<u>159,029</u>	<u>1,707,179</u>
Expenses:			
Program Services:			
Equine-assisted therapy	217,741	-	217,741
Equine-assisted activities	668,254	-	668,254
Equine-assisted learning	28,459	-	28,459
ROCK on Veterans	225,752	-	225,752
Higher Learning Program Management	72,473	-	72,473
Support Services:			
General and administrative	139,342	-	139,342
Fundraising	305,931	-	305,931
Total Expenses	<u>1,657,952</u>	<u>-</u>	<u>1,657,952</u>
Change in net assets	(109,802)	159,029	49,227
Net assets, beginning of year	<u>2,774,266</u>	<u>175,554</u>	<u>2,949,820</u>
Net assets, end of year	<u>\$ 2,664,464</u>	<u>\$ 334,583</u>	<u>\$ 2,999,047</u>

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**STATEMENTS OF ACTIVITIES**

*YEAR ENDING JUNE 30, 2019*

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and Revenue:			
Tuition and program fees	\$ 321,135	\$ -	\$ 321,135
Contracts, grants, and contributions	738,779	364,867	1,103,646
Special Events:			
Barn Dance:	492,831	-	492,831
Golf tournament	43,830	-	43,830
Other	113,729	-	113,729
Other	3,053	-	3,053
Net assets released from restrictions	361,190	(361,190)	-
Total Support and Revenue	<u>2,074,547</u>	<u>3,677</u>	<u>2,078,224</u>
Expenses:			
Program Services:			
Equine-assisted therapy	160,003	-	160,003
Equine-assisted activities	511,354	-	511,354
Equine-assisted learning	190,496	-	190,496
ROCK on Veterans	260,317	-	260,317
Higher Learning Program Management	68,979	-	68,979
Support Services:			
General and administrative	114,404	-	114,404
Fundraising	274,289	-	274,289
Total Expenses	<u>1,579,842</u>	<u>-</u>	<u>1,579,842</u>
Change in net assets	494,705	3,677	498,382
Net assets, beginning of year	<u>2,279,561</u>	<u>171,877</u>	<u>2,451,438</u>
Net assets, end of year	<u><u>\$ 2,774,266</u></u>	<u><u>\$ 175,554</u></u>	<u><u>\$ 2,949,820</u></u>

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

YEAR ENDING JUNE 30, 2020

	Program Services							Total
	Equine-Assisted Therapy	Equine-Assisted Activities	Equine-Assisted Learning	Rock on Veterans	Higher Learning Program Management	General and Administrative	Fundraising *	
Expenses:								
Compensation	\$ 155,601	\$ 425,650	\$ 17,211	\$ 153,393	\$ 72,473	\$ 115,054	\$ 137,684	\$ 1,077,066
Depreciation	14,464	57,858	2,712	15,369	-	-	-	90,403
Dues and subscriptions	1,768	1,269	56	47	-	-	-	3,140
Facilities - general	21,723	86,891	4,073	23,080	-	-	-	135,767
Facilities - capital campaign	177	706	33	188	-	-	-	1,104
Event costs		-	-	-	-	-	38,387	38,387
Horse care	8,874	35,494	1,664	9,428	-	-	-	55,460
Horse care - capital campaign	770	3,081	144	818	-	-	-	4,813
Insurance	3,077	12,309	577	3,270	-	-	-	19,233
Interest	7,646	30,584	1,434	8,124	-	-	-	47,788
Meeting and conferences	1,484	5,938	278	1,577	-	-	-	9,277
Office expenses		-	-	-	-	251	129	380
Other expenses	1,046	2,486	26	959	-	6,265	-	10,782
Other expenses - capital campaign		-	-	-	-	-	16,500	16,500
Professional fees - general		-	-	8,103	-	17,772	11,153	37,028
Professional fees - capital campaign		-	-	-	-	-	102,078	102,078
Program expenses	266	2,606	92	498	-	-	-	3,462
Volunteer expenses	845	3,382	159	898	-	-	-	5,284
Total Expenses	<u>\$ 217,741</u>	<u>\$ 668,254</u>	<u>\$ 28,459</u>	<u>\$ 225,752</u>	<u>\$ 72,473</u>	<u>\$ 139,342</u>	<u>\$ 305,931</u>	<u>\$ 1,657,952</u>

\* Fundraising includes a Direct Benefit to Donors of \$4,840. These are costs incurred in Special Events from which the attendees derive a benefit.

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

YEAR ENDING JUNE 30, 2019

	Program Services						Fundraising	Total
	Equine-Assisted Therapy	Equine-Assisted Activities	Equine-Assisted Learning	Rock on Veterans	Higher Learning Program Management	General and Administrative		
Expenses								
Compensation	\$ 121,104	\$ 324,584	\$ 84,792	\$ 163,556	\$ 68,979	\$ 91,141	\$ 124,632	\$ 978,788
Depreciation	7,631	38,155	21,197	17,806	-	-	-	84,789
Dues and subscriptions	1,767	1,273	34	56	-	-	-	3,130
Facilities - general	11,076	55,378	30,765	25,843	-	-	-	123,062
Facilities - capital campaign	1,777	8,883	4,935	4,145	-	-	-	19,740
Event costs	-	-	-	-	-	-	117,740	117,740
Horse care	6,362	31,808	17,671	14,844	-	-	-	70,685
Horse care - capital campaign	775	3,874	2,152	1,808	-	-	-	8,609
Insurance	1,553	7,763	4,313	3,623	-	-	-	17,252
Interest	4,785	23,924	13,291	11,165	-	-	-	53,165
Meeting and conferences	968	5,255	2,689	2,259	-	-	-	11,171
Office expenses	-	-	-	-	-	336	271	607
Other expenses	1,023	2,941	629	1,002	-	3,444	-	9,039
Professional fees - general	-	-	-	10,369	-	19,483	10,156	40,008
Professional fees - capital campaign	-	-	-	-	-	-	21,490	21,490
Program expenses	459	3,901	6,020	2,154	-	-	-	12,534
Volunteer expenses	723	3,615	2,008	1,687	-	-	-	8,033
Total Expenses	<u>\$ 160,003</u>	<u>\$ 511,354</u>	<u>\$ 190,496</u>	<u>\$ 260,317</u>	<u>\$ 68,979</u>	<u>\$ 114,404</u>	<u>\$ 274,289</u>	<u>\$ 1,579,842</u>

\* Fundraising includes a Direct Benefit to Donors of \$35,930. These are costs incurred in Special Events from which the attendees derive a benefit.

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**STATEMENTS OF CASH FLOWS**

*YEARS ENDING JUNE 30, 2020 AND 2019*

	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 49,227	\$ 498,382
Adjustments to reconcile change in net assets to net cash flows from operations:		
Depreciation	90,403	84,789
In-kind contribution of assets	(8,000)	(19,500)
Change in operating assets and liabilities:		
Accounts receivable	32,954	4,529
Pledges receivable	(29,396)	(133,000)
Prepaid expenses and other	(13,740)	2,595
Accounts payable and accrued expenses	10,963	(8,837)
Deferred revenue	(269)	(3,440)
Net cash flows from operating activities	<u>132,142</u>	<u>425,518</u>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(51,112)	(150,000)
Proceeds from sale of investments	150,000	-
Purchase of property and equipment	(73,347)	(38,647)
Net cash flows from investing activities	<u>25,541</u>	<u>(188,647)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from notes payable	192,900	-
Payment of principal on notes payable	(147,306)	(200,936)
Net cash flows from financing activities	<u>45,594</u>	<u>(200,936)</u>
Net change in cash and cash equivalents	203,277	35,935
Cash and cash equivalents, beginning of year	731,994	696,059
Cash and cash equivalents, end of year	<u>\$ 935,271</u>	<u>\$ 731,994</u>
<b>Supplemental disclosure:</b>		
Cash paid for interest	<u>\$ 47,788</u>	<u>\$ 53,165</u>

# R.O.C.K., RIDE ON CENTER FOR KIDS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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### Note 1—Organization and program activities

R.O.C.K., Ride On Center for Kids, Inc. (“ROCK” or “Organization”) was established in 1998. ROCK’s mission is to improve independence and life skills in partnership with the horse. Incorporated as a Texas nonprofit corporation on May 14, 1999, ROCK today provides direct services to over 300 individuals each year at a 60-acre facility in Georgetown. The Organization’s vision is to be the trusted leader in equine-assisted activities and therapies (“EAAT”) through service, research, and education. The Organization is a registered physical therapy clinic and all therapists are licensed and abide by Texas state licensing laws.

ROCK is a PATH International premier accredited organization (Professional Association of Therapeutic Horsemanship International) and is undergoing organizational improvements via The Malcomb Baldrige process. ROCK was awarded the 13th Annual Ethics in Business & Community Award (Nonprofit) in 2015, the Pioneer Award 2016, and the Commitment Award in 2018 from Quality Texas Foundation Quest for Excellence.

In 2012 our CEO started an EAAT program at Texas A&M University System (“TAMUS”), the Courtney Grimshaw Fowler Equine Therapeutic Program. Texas A&M students benefit from experiential learning while lifting up other individuals in partnership with the horse. Courtney Cares and ROCK participate in leading-edge research, participate and teach at workshops and conferences, and have an unwavering focus on best practices and therapeutic care of its clients and their families.

ROCK’s staff totals 27 full and part-time employees whose job responsibilities include: leadership in programs of EAAT, facilities management and equine care, volunteer education and management, teaching continuing education at the university level, and performing fundraising and marketing activities. Many employees have advanced degrees and professional credentials. Three-hundred ROCKateers assist with programs, projects, and fundraising activities. Our herd of 30 horses is central to our therapeutic programming.

ROCK operates on the principle that every person has untapped potential for improved life skills. Movement – and the horse-human connection – creates change that leads to greater physical functioning and independence. Services are provided during the daytime year-round, in summer camps, and special evening events for veterans.

Programming includes:

- *Equine-Assisted-Therapy (Hippotherapy)*: physical or speech therapy using equine movement as a treatment intervention.
- *Equine-Assisted Activities*: therapeutic riding horsemanship classes that improve functional life skills for clients with special needs.
- *Equine-Assisted Learning*: includes a partnership with local schools serving children with special needs by pairing them up with high school students learning about medical careers. This program provides a variety of horsemanship camps held during the summer, caring for children with special needs as well as at-risk youth.
- *ROCK on Veterans*: an integrated program of therapeutic services and a community for veterans and their families adjusting to post-war lives. A special women-only veterans program serves women who have suffered military sexual trauma.
- *Higher Learning Program Management (ROCK University)*: facilitates continuing education for ROCK staff, and courses at a national level for training others in best practices for the equine therapeutic industry. In addition, this program facilitates internships and instructors in training. The TAMUS Courtney Cares program contributes to this education endeavor. In addition, ROCK has participated in over 20 research projects with three being published.

# R.O.C.K., RIDE ON CENTER FOR KIDS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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### Note 1—Organization and program activities (continued)

The results of these therapies for adults and children are life changing, leading to improved muscle tone, balance, posture, coordination, motor development, and emotional and psychological well-being and functionality.

ROCK serves adults, children, and veterans of military service who have physical, mental and/or emotional challenges. ROCK serves all ages in its year-round programming, with clients as young as two to our senior clientele in their 80s. Physical, mental and emotional disabilities know no age, gender or ethnic boundaries. Therapies are designed to meet each individual where she/he is, with an individualized plan for therapeutic activities including frequency, type, and length of therapy sessions. A physician referral is required for participation in therapy programs.

Our clients have many different diagnoses and life challenges, such as Autism, Cerebral Palsy, Down Syndrome, Traumatic Brain Injury, Speech Delay, Cognitive Impairment, Muscular Dystrophy, Post-Traumatic Stress Disorder, Attention Deficit Disorder, spinal cord injuries, and motor planning difficulties.

In the past year, ROCK's client base was approximately 44% children, 32% veterans of military service, and 24% non-military adults. Approximately one-half of ROCK's clients are low income and care for a family member with a disability which severely impacts their family's financial security. ROCK serves individuals residing in nine counties including Williamson County, Travis County, and a smaller population from surrounding counties in Central Texas.

### Note 2—Summary of significant accounting policies

*Basis of Presentation* – The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

*Cash and Cash Equivalents* – For purposes of the statement of cash flows, cash and cash equivalents consist of cash held in bank deposit accounts and short-term, highly liquid investments with original maturities of 90 days or less.

*Property and Equipment* – Property and equipment are recorded at cost and depreciated over their estimated useful lives. Any donated items are recorded at the fair value. When assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in the period. Maintenance and repairs are charged to expense as incurred, and significant renewals and betterments are capitalized. The Organization has a policy of only capitalizing depreciable assets purchased at or over \$2,500, expensing items falling below that amount. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Building and Building Improvements	30 – 40 years
Horses and Equipment	3 – 20 years

*Accounts Receivable* – Accounts receivable consist of amounts due from uncollected tuition, program fees, and grants. The Organization reviews the receivables periodically throughout the year. As of June 30, 2020 and 2019, all receivables were determined to be collectible and no allowance for doubtful accounts has been recorded.



**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2020 AND 2019*

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**Note 2—Summary of significant accounting policies (continued)**

*Investments and Fair Value of Financial Instruments* – In determining fair value, the Organization uses various valuation approaches. U.S. GAAP requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs and establishes a fair value hierarchy that prioritizes valuation inputs into three broad levels based on the characterization of the underlying inputs, and each fair value measurement is then assigned to one of the three levels. These levels are:

*Level 1* – Valuation is based on quoted prices for identical instruments traded in active markets. Level 1 assets and liabilities include debt and equity securities traded in an active exchange market, as well as U.S. Treasury securities.

*Level 2* – Valuation is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

*Level 3* – Valuation is determined using model-based techniques with significant assumptions not observable in the market. These unobservable assumptions reflect management's own estimates of assumptions that market participants would use in pricing the asset or liability. Valuation techniques include the use of third party pricing services, option pricing models, discounted cash flow models, and similar techniques.

The carrying amount of cash and cash equivalents, accounts receivable and pledges, prepaid expense and other assets, and accounts payable approximate fair market value at June 30, 2020 and 2019, because of their relatively short maturity and market terms. The fair values for other investments are based on management's estimates. Estimated fair value is determined by the Organization and based on a number of factors, including: comparable publicly traded securities, the costs of investments to the Organization, as well as the current and projected operating performance. Certificates of deposit are valued at their purchase price plus accrued interest.

*Net Asset Classifications* – The Organization's financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. For financial statement purposes, the Organization distinguishes between net assets without donor restriction and net assets with donor restriction as follows:

*Net Assets With Donor Restrictions* – Net assets the use of which is subject to stipulations that can be fulfilled by actions of the Organization pursuant to those stipulations.

*Net Assets Without Donor Restrictions* – Net assets that are not subject to stipulations. Net assets without donor stipulations may be used for any purpose or designated for specific purposes by action of the Board of Directors of the Organization.

*Tuition and Fees* – The Organization recognizes revenue from participant tuition and fees when the services are provided. Deposits of tuition are recorded as prepaid tuition and are recognized as revenue when the services have been provided.

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2020 AND 2019*

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**Note 2—Summary of significant accounting policies (continued)**

*Contracts, Grants, and Contributions* – Contributions received (including unconditional promises to give, contracts, and certain grants) are recorded as net assets without donor restrictions or net assets with donor restrictions in the period received depending on the existence and/or nature of any donor restrictions. Contributions received which are part of the Organization's ongoing major or central activities are recognized as revenue. Conditional promises to give to the Organization are recognized as the conditions upon which they depend are substantially met. Promises to give are recognized as revenue only if sufficient evidence exists in the form of verifiable documentation that a promise was made and received. Support that is not restricted by the donor is reported as an increase in net assets without donor restrictions in the reporting period in which the support is recognized. Donated assets are recorded at their estimated fair values at the date of receipt. The Organization reports contributions as restricted support if the support is received with donor restrictions that limit the use of the donated assets. When and if a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization uses the allowance method to determine uncollectible unconditional pledges receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Allowances for uncollectible pledges as of June 30, 2020 and 2019 were \$15,000 and \$-0-, respectively.

The Organization reports contributions of land, buildings, and equipment as net assets without donor restrictions, unless explicit donor restrictions specify how the donated assets must be used. Gifts of assets with explicit restrictions that specify how the assets are to be used are accounted for as restricted support. The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

*Contributed Services and Other Support* – The Organization recognizes contributed services at their fair value if the services have value to the Organization and require specialized skills, are provided by the individuals possessing those skills, and would have been purchased if not provided by contributors. The Organization recognizes other contributed support at fair value. During the years ended June 30, 2020 and 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and no amounts have been recorded. Although individuals volunteer their time and perform a variety of tasks that assist the Organization, these services do not meet the criteria for recognition as contributed services.

*Income Taxes* – The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. As such, it is also exempt from state income taxes and contributions by the public are deductible for income tax purposes to the extent allowed by federal and state law.

The Organization regularly assesses uncertain tax positions in each of the tax jurisdictions in which it has operations and accounts for the related financial statement implications. Determining the appropriate level of unrecognized tax benefits requires the Organization to exercise judgment regarding the uncertain application of tax law. The amount of unrecognized tax benefits is adjusted when information becomes available or when an event occurs indicating a change is appropriate. Management evaluated all tax positions and concluded that the Organization has no uncertain tax positions that require recognition in the accompanying financial statements or further disclosure in the notes to the financial statements. Future changes in unrecognized tax benefits requirements could have a material impact on the results of operations. The Organization's management believes it is no longer subject to income tax examinations for the prior three years.

# R.O.C.K., RIDE ON CENTER FOR KIDS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

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### **Note 2—Summary of significant accounting policies (continued)**

*Functional Expenses* – The expense information contained in the functional expenses are presented on a functional basis. Accordingly, certain expenses are allocated between functional categories based on management's estimates. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization which largely includes compensation that is allocated based upon staff time devoted to program services, general and administrative services, and fundraising services. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

*Compensated Absences* – The Organization expenses paid time off ("PTO") in the year earned and the employee is compensated for any accrued but unused PTO upon termination. Employees are permitted to carryover up to 40 hours of PTO each calendar year.

*Use of Estimates* – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the collectability of receivables, allocation of functional expenses and determining the remaining useful lives of long-term assets. Actual results could differ from those estimated.

*Recent Accounting Pronouncements* – In May 2014, the Financial Accounting Standards Board ("FASB") issued guidance in Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes most current revenue recognition guidance and outlines a single comprehensive model for entities to use in accounting for revenue. The guidance provides a five-step framework to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to be entitled to receive in exchange for those goods or services. The Organization adopted this ASU on July 1, 2019 and the implementation of this ASU did not have a significant impact on the Organization's financial statements or disclosures.

In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which is intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily by not-for-profit organizations. The amendments in this ASU provide a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. ASU 2018-18 is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted. The Organization adopted this ASU on July 1, 2019 and the implementation of this ASU did not have a significant impact on the Organization's financial statements or disclosures.

Other recently issued ASUs were assessed and determined to be either not applicable or are expected to have minimal impact on its financial position and results of operations.

*Management's Review* – The Organization evaluates events that occur subsequent to the statement of financial position date of periodic reports, but before financial statements are issued for periods ending on such dates, for possible adjustment to such financial statements or other disclosure. This evaluation generally occurs through the date at which the Organization's financial statements are available for issuance. For the financial statements as of and for the year ending June 30, 2020, this date was October 16, 2020.

# R.O.C.K., RIDE ON CENTER FOR KIDS, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

### Note 3—Liquidity and availability of resources

As of June 30, 2020, the Organization had approximately \$986,000 of cash and short-term investments, of which approximately \$335,000 is restricted in its use. The Organization reported approximately \$132,000 of cash from operations during the year and has a goal to maintain six months of cash on hand to cover operating costs. In March 2020, the World Health Organization declared the outbreak of a novel coronavirus ("COVID-19") as a pandemic, which continues to spread throughout the United States. Management responded by implementing all CDC guidelines, temporarily closing to the public while continuing to care for ROCK's 30 horses and 60 acres, and hosting virtual sessions using video conference software for its ROCKateers and families. The ROCK Board leadership has been very involved and has assisted in controlling costs since the beginning of the pandemic and has approved a reduced budget for 2020-2021. As of the report issuance date, ROCK's workforce remains intact and management has continued to plan and fundraise for the expansion of a new covered arena and remodel of its current space.

In April 2020, ROCK applied for and received a forgivable Paycheck Protection Program (PPP) loan in the amount of \$192,900 (see Note 6). The loan proceeds have been used to cover eligible expenses including payroll, benefits, and utilities. Also in April 2020, ROCK made the decision to postpone the Spring Barn Dance in response to COVID-19 due to safety concerns and rescheduled it for September 2020. The virtual event had a strong response bringing in approximately \$195,000 in donations and auction revenue. In addition, ROCK reached out to donors through their PONY's UP campaign in spring of 2020 to offset lost Barn Dance and client tuition revenue recognizing approximately \$53,000 of additional contributions. In June 2020, ROCK began a small reopening for selected clients and have continued to reinstate services to additional clients throughout the summer months. As of the report issuance date, ROCK is operating at approximately 84% of its pre-pandemic capacity and have been awarded grants to support their programs from various foundations totaling approximately \$100,000.

As a result, management believes there is sufficient capital and donor interest in ROCK required to fund operations for the next fiscal year.

### Note 4—Property and equipment

Property and equipment as of June 30, 2020 and 2019 included:

	2020	2019
Land and improvements:	\$ 1,703,484	\$ 1,703,484
Buildings and improvements	1,827,305	1,827,305
Horses	71,550	73,125
Equipment	321,297	246,687
	3,923,636	3,850,601
Less accumulated depreciation	(937,342)	(855,251)
Total property and equipment	\$ 2,986,294	\$ 2,995,350

Depreciation for the years ended June 30, 2020 and 2019 was \$90,403 and \$84,789, respectively.

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2020 AND 2019*

**Note 5—Net assets**

The net assets of the Organization as of June 30, 2020 and 2019 were as follows:

	<b>2020</b>	<b>2019</b>
Without donor restrictions	\$ 2,664,464	\$ 2,774,266
With donor restrictions:		
Horse purchases	7,200	7,200
Trailer purchases	-	18,177
Payroll grant	30,000	-
Veterans related	90,000	-
General operating funds - The Brown Foundation	-	1,500
Capital campaign - building expansion	207,383	148,677
Total with donor restrictions	334,583	175,554
Total net assets	\$ 2,999,047	\$ 2,949,820

Net assets released from restrictions consisted of the following:

	<b>2020</b>	<b>2019</b>
Horse trailer purchase	\$ 18,177	\$ 6,500
Veterans related	-	90,000
The Brown Foundation	1,500	1,500
Capital campaign - building expansion	268,429	263,190
Net assets released from restrictions	\$ 288,106	\$ 361,190

**Note 6—Notes payable**

On July 25, 2017, the Organization entered into a note payable to a bank in the amount of \$1,050,000 for the purchase of land adjacent to its current facility. Principal and accrued interest payments are due and payable in equal quarterly installments through July 2039 based on a variable interest rate to be adjusted every five years from the date of the note. Due to the outbreak of COVID, payments on the note were deferred for a period of three months. During that period, interest continued to accrue. The minimum rate of the note is 4.15%. The note is secured by the land purchased. The balance of this note as of June 30, 2020 is \$898,871.

On April 15, 2020, the Organization received loan proceeds in the amount of \$192,900 under the PPP. The loan and accrued interest are forgivable as long as the Organization uses the loan proceeds for eligible purposes, including payroll, benefits, and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the qualifying period. The unforgiven portion of the PPP loan is payable over two years at an annual interest rate of 1%, with a deferral of payments for the first six months. During the year ended June 30, 2020, the Organization utilized the proceeds for purposes consistent with the PPP and management believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan. As of June 30, 2020, the outstanding balance on the loan is \$192,900.

**R.O.C.K., RIDE ON CENTER FOR KIDS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**

*JUNE 30, 2020 AND 2019*

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**Note 6—Notes payable (continued)**

Future maturities on the notes payable as of June 30, 2020 are as follows:

**Years Ending June 30:**

2021	\$	125,326
2022		149,199
2023		43,475
2024		45,352
2025		47,310
Thereafter		681,109
	\$	<u>1,091,771</u>

**Note 7—Related party transactions**

During the years ended June 30, 2020 and 2019, the Organization received pledges and contributions of \$258,084 and \$345,386, respectively, from various members of the Board of Directors. As of June 30, 2020 and 2019, \$177,220 and \$117,600 represent pledges receivable from members of the Board of Directors, respectively.

**Note 8—Concentrations and contingencies**

The Organization participates in federal and state financial assistance programs. These programs are subject to financial and compliance audits by the grantors or their representatives and regulatory authorities. The purpose of the audits is to ensure compliance with conditions relating to the granting of funds and other reimbursement regulations. Management believes that any liability for reimbursement which could arise as the result of these audits is not believed to be material to the financial position of the Organization.

The Organization is exposed to various risks of loss related to tort; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended June 30, 2020 and 2019, the Organization was covered by insurance for these various risks at a reasonable level and a cost it considered to be economically justifiable.

The Organization maintains cash balances at federally insured financial institutions. At various times during the years ended June 30, 2020 and 2019, balances in these accounts may have exceeded Federal Deposit Insurance Corporation insured limits, however, the Organization has not experienced and does not anticipate any credit losses on these deposits.

As of the years ended June 30, 2020 and 2019, one donor represented 85% and 75% of pledges receivable, respectively.